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FOR IMMEDIATE RELEASE

Investment Scam Victims Getting Back More Than \$20 Million

(Phoenix, Ariz. – Jan. 5, 2006) Attorney General Terry Goddard today announced that investors who were cheated by Benjamin Franklin Cook III and his Dennel Financial Ltd. "European bank trading program" will be getting some of their money back.

As a result of seizures for forfeiture made by the Attorney General's Office and the Department of Public Safety, Court-appointed receiver Lawrence Warfield will make a final distribution this month to victims, bringing the total recovered for investors to almost \$21 million.

Beginning about January 1998, Cook's scam eventually raised over \$43 million from as many as 300 mostly elderly investors. Cook promised monthly returns of six per cent or more and actually paid earlier investors over \$12 million. Payments were made from new victims' money instead of actual profits. No investor funds were ever placed by Dennel into any bank trading program.

In 1999, investigators from the Attorney General's Office and the Department of Public Safety shut down Dennel Financial, based in Carefree, and turned the seized property over to a federal court in Texas for distribution to victims through the Securities and Exchange Commission. Combined with previous distributions paid out by the receiver, 239 eligible Dennel investors will end up with about \$.62 for each dollar originally invested before the assets were seized.

Known as "prime bank instrument trading programs," "high-yield investment programs," and "bank debenture trading programs," these investments tout lucrative returns without risk from a small group secretly trading in discounted debt securities issued by major or "prime" world banks.

The programs Cook promoted, however, do not exist. Goddard said the U.S. Treasury Department, the SEC and state regulators nationwide warn investors to steer clear of these types of investments because they are ponzi-type frauds. Nevertheless, the programs persist, and their perpetrators continue to recruit investor victims.

The Arizona action grew out of the initial investigation of Dennel by the Securities Division of the Arizona Corporation Commission. The Attorney General's Office released seized assets to the federal receiver for victim restitution in the SEC civil case, where a final judgment against Cook was issued in December 2000, and the federal court awarded over \$42 million.

The Attorney General's Office secured a criminal indictment for fraud, theft and racketeering in August 2000, and Cook pleaded guilty in April 2003 to theft. He was sentenced to over 17 years in prison in June 2003. He was also ordered by the Arizona court to pay \$31,571,240 in criminal restitution to his investor victims, complementing the SEC civil judgment against him.

The Arizona Attorney General's Office also prosecuted Cook co-conspirator Robert H. Burr of North Carolina for his role in the Dennel scam. Burr pleaded guilty in Arizona in 2001 to fraud and was sentenced to 10 years in prison. Burr also pleaded guilty to charges filed against him in North Carolina and was sentenced to 14 years in prison. He is serving both sentences concurrently in North Carolina.

Various other Dennel associates of Cook have been jailed for civil contempt or convicted of perjury. Assistant Attorney General Mark Knops initiated the case while at the Corporation Commission and prosecuted it after transferring to the Attorney General's Office.

The receiver has set up a Web site that contains case and contact information at www.dennelfinancial.com.

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